

BUSINESS JUSTIFICATION

Tennessee Student Assistance Corporation

I. Executive Summary

With the arrival of a new Executive Director in August, 2005, the Tennessee Student Assistance Corporation (TSAC) was reorganized into six divisions. These divisions are noted on the attached organizational chart, and listed below.

1. Executive
2. Business Affairs
3. Communication Services
4. Loan Programs
5. Grant and Scholarship Programs
6. Compliance and Legal Affairs

The Executive and Business Affairs divisions should not be disturbed. They play an essential role in correcting several accounting and internal control problems identified in a recent financial audit. The Communication Services and Loan Programs divisions have no employees who are eligible for the Voluntary Buyout Program.

By process of elimination, the remaining two divisions (Grant and Scholarship Programs and Compliance and Legal Affairs) are the business units where a staff reduction would be possible. Within these two divisions, a staff reduction of one position in the Administrative Assistant 1 classification is recommended.

II. Business Justification and Assessment

TSAC's six divisions account for 56 positions. Six of these positions are vacant, leaving 50 that are currently filled. Of the 50 current employees, only 18 are eligible for the Voluntary Buyout Program. The other 32 are executive service employees with less than six years of seniority or are funded with no state dollars supporting their salaries.

With 18 employees eligible for the Voluntary Buyout Program, TSAC recommends accepting one employee (5.6%) into the program.

As described in the Executive Summary above, TSAC's Grant and Scholarship Programs division and Compliance and Legal Affairs division are best able to absorb the loss. Within these two divisions, the Administrative Assistant 1 classification was selected as the classification where the agency could lose one employee with the least impact on student service. These two divisions currently employ three individuals in the Administrative Assistant 1 classification. If one of the three eligible employees accepts the buyout offer, it may be possible for the remaining two employees to absorb the work of the one who departs.

III. Information for F&A Budget

Submit a financial spreadsheet using the attached format. (Attached)

A handwritten signature in blue ink that reads "Robert W. Ruble". The signature is written in a cursive style with a large initial 'R'.

Robert W Ruble
TSAC, Executive Director

Date